

E-filed on August 11, 2006

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Attorneys for the Official Committee of Equity Security Holders
 of USA Capital Diversified Trust Deed Fund, LLC

UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☐ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☒ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under
 Case No. BK-S-06-10725-LBR

[No Hearing Scheduled]

**SECOND SUPPLEMENT TO DECLARATION OF MARC A. LEVINSON REGARDING
EMPLOYMENT OF ORRICK, HERRINGTON & SUTCLIFFE LLP
BY THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS
OF USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC**

I, Marc A. Levinson, hereby declare under penalty of perjury that:

1. I am over eighteen years of age and have personal knowledge of the facts set forth herein, and if called as a witness, would testify competently with respect thereto from my own personal knowledge except as otherwise stated.

2. I am a partner of Orrick, Herrington & Sutcliffe LLP ("Orrick"). Pursuant to its Order Approving Application By The Official Committee Of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC To Employ Orrick, Herrington & Sutcliffe LLP *Nunc Pro Tunc* As Of June 1, 2006 entered on June 22, 2006 the Court approved the application of the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC ("Committee") to employ Orrick as counsel to such Committee.

3. This Second Supplement to my declaration e-filed on June 16, 2006, is made in light of recent discoveries in the case and resulting discoveries of connections that Orrick believes ought to be disclosed pursuant to Bankruptcy Rule 2014(a). Orrick and I believe that none of the connections disclosed herein create any conflict of interest for Orrick, or that any connection would in any way impede Orrick in devoting its full and complete loyalty to the Committee and to the investors for whom the Committee is a fiduciary.

4. The new connections are as follows:

a. Two Orrick clients, Cerberus Capital Management ("Cerberus") and California Mortgage and Realty ("CMR") are interested in making proposals to the above-captioned debtors with respect to possible plans of reorganization, exit financing or other transactions. Orrick has not represented either CMR or Cerberus in connection with such activities; each is represented by other counsel. In an abundance of caution, Orrick will be taking no role in connection with Cerberus or CMR in these chapter 11 cases; instead, the Committee will be advised by its Nevada counsel, Beckley Singleton, with respect to any proposals, negotiations, etc. involving such parties.

b. The following six bondholders filed a \$20 million proof of claim against the Diversified Trust Deed Fund estate: (1) Prospect High Income Fund; (2) ML CBO IV (Cayman), Ltd.; (3) PAMCO Cayman Ltd.; (4) PAM Capital Funding, L.P.; (5) Highland Crusader Fund, Ltd.; and (6) PCMG Trading Partners XXII, L.P. I ran conflicts checks on such names in early June of 2006, the result of which was that none were Orrick clients. On July 27th, however, such bondholders filed their objection to the debtors' distribution motion and, in the introductory paragraph thereof, identified themselves collectively as "Highland Capital." Another Orrick attorney representing the Committee, Jeffery Hermann, read such pleading and called me on July 27th to alert me that Highland Capital is an Orrick client. The following day, I learned that Orrick had not represented Highland Capital in connection with its dealings with the Diversified Fund or any of the other debtors. Nevertheless, out of an abundance of caution, Beckley Singleton will handle all matters having to do with Highland Capital and the six bondholders.

5. In short, I bring these connections to the attention of the Court and parties in interest in the spirit of full disclosure. I continue to believe that that the Orrick's relationship with any and all of Cerberus, CMR and Highland Capital would in no way would impact any Orrick action, decision or thought process in pursuit of its representation of the Committee.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed at Sacramento, California, this 11th day of August 2006.

/s/ Marc A. Levinson

Marc A. Levinson